

***Delaware Health Resources Board  
Beebe Healthcare Freestanding Emergency Department Review Committee Meeting Minutes  
Tuesday, July 17, 2018 2:00 PM  
Department of Transportation (DelDOT) Administration Building  
Farmington-Felton Conference Room 800 Bay Rd Dover, DE 19901***

***Review Committee Members Present:***

Carolyn Morris, Leighann Hinkle and Lynn Fahey.

***Staff Present:***

Latoya Wright in person and Joanna Suder (via conference call)

***Call to Order and Welcome***

The meeting of the Review Committee for Beebe Healthcare Freestanding Emergency Department was called to order at 2:10 p.m.

***Review of Beebe Healthcare Freestanding Emergency Department Application***

It was stated that on April 23, 2018, Beebe submitted a Certificate of Public Review application to construct a Freestanding Emergency Department in Millville DE. The capital expenditure is \$19-22 million. This application will have a 90-day review period. The Board will need to vote on this application at the July 26, 2018 Health Resources Board meeting.

***Project Summary and Background Information***

Delaware residents of the South Coastal region, including towns from Bethany Beach, Ocean View, Selbyville and Frankford to the west, are poorly served with accessible health care services. The Rehoboth and Indian River Bays and the crowded Highway 1 create roadblocks to accessible care. South Coastal residents live the farthest from Beebe Medical Center and other core healthcare services than the other population in Beebe's Primary Service Area. Beebe Healthcare offers a range of outpatient services in Millville (i.e., primary care, walk-in care, physical rehabilitation, laboratory and diagnostic imaging). Beebe will be expanding on those services on the new site.

Beebe Healthcare proposes to build and operate a year-round Freestanding Emergency Medicine Department in Millville, Delaware to improve access to timely emergency care for the residents and visitors to the South Coastal region. Beebe estimates that the Millville Emergency Department will serve 15,000 patients each year, 25% of whom (3,750) will be visitors to the region who live outside of the service area. Of the annual patients at the Millville Emergency Department, approximately 3,400 would have been served at the hospital's Emergency Department in Lewes, thus lowering the burden on that facility. There are currently no emergency medicine services located in the region. Residents travel from 30 to 60 minutes to reach the nearest Emergency Department.

The proposed Millville Emergency Department will include 16,741 square feet of dedicated space, including diagnostic imaging, with 9,697 square feet of support services and space that will be shared by a proposed Cancer Center. The Emergency Department will include:

- 24 Emergency Exam/Treatment Rooms
- 12 Various Exam Treatment Rooms

- 9 Exam Treatment Rooms
- 1 Behavioral Health room
- 2 Isolation Exam Treatment Rooms with Private Toilets
- 2 Resuscitation rooms
- 10 Triage Observation and Holding Rooms
- 1 Computed Tomography (CT) room
- 1 X-ray
- 1 Ultrasound
- Onsite laboratory (shared with proposed Cancer Center)
- Onsite Pharmacy (shared with proposed Cancer Center)
- Onsite Facilities/Materials Management including receiving facility (shared with proposed Cancer Center)

### **Conformity of Project with Review Criteria**

Criterion I: The relationship of the proposal to the Health Resources Management Plan.

Beebe's charitable mission is to encourage healthy living, prevent illness, and restore optimal health with the people residing, working, or visiting the communities they serve. This mission guides Beebe towards providing care for all in their community, regardless of their ability to pay, and Beebe's charity policy formalizes this practice. Beebe is a provider of care to Medicare and Medicaid beneficiaries. The proposed Emergency Medicine Department, as part of Beebe Healthcare, would operate under this same mission, Medicare and Medicaid participation, and Charity Care Policy. Beebe is accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO). This accreditation includes Emergency Medicine services. Future accreditation surveys will include the proposed Millville Emergency Medicine department. Beebe is an active participant and supporter of the Delaware Health Information Exchange Network (DHIN).

### **Medicare and Medicaid Service**

Beebe Healthcare has a long history as a certified participant provider for both Medicare and Medicaid beneficiaries.

### **Charity Care**

Beebe Healthcare has a formal Charity Care Policy, most recently updated in 2010. It is hospital policy that no one will be denied medically-necessary hospital services based upon the patient's ability to pay for those services. Patients with income up to 400% of the Federal Poverty Level are eligible for charity care or financial assistance. Public notice of Beebe's charity care and financial aid are visible within the hospital and ambulatory care settings. Beebe provided Charity Care totaling \$12,854,008 in fiscal 2017 which constitutes 4.1% of their total patient care expenditures.

### **DHIN Participation**

Beebe Healthcare has been a continuous participant with and financial supporter of the Delaware Health Information Network since its inception. Beebe submits inpatient, emergency, and ambulatory records to the DHIN daily and access care information to support care givers and care coordinators

Beebe Healthcare providers access the DHIN for multiple purposes including care coordination. In their Population Health Department, Beebe use information from the DHIN to support Care Coordination in our Advance Care Clinic, our C.A.R.E.s Program and for their CMS Medicare Shared Savings Program and CMS Bundle Payment programs. Their Beebe Medical Group providers access the DHIN for information on new and existing patients to get up-to-date records and test results.

Beebe has set up an automatic feed from their ambulatory, inpatient, and emergency medicine electronic medical records (EMR) to send the DHIN a Continuity of Care Document (CCD), laboratory results, and other notes after each encounter with a patient.

The Review Committee inquired if Beebe is able to differentiate the site of care on claims data given that they are operating under one EIN. Which patients visit the Lewes facility verses the Millville facility. And if so, what is the field on the claims data that shows this site of care information? Staff will send the follow-up inquires to Beebe.

The Review Committee agreed the application met criterion I.

**Criterion II: The need of the population for the proposed project**

The application asserts that Sussex County experienced a significant growth in population over the last 10 years. This growth has put a burden on the current healthcare infrastructure. Planning for future demand is at the core of this proposed expansion. The application states the primary service area of Beebe Healthcare, which is the southeastern portion of Sussex County, the population has grown. To gain further insight into the population growth, below are the population projections per county.

**Delaware Population Projections**

	2010	2015	2020	2025	2030	2035	2040	2045	2050
<b>Delaware</b>	899,778	949,337	989,665	1,019,558	1,045,587	1,085,047	1,078,927	1,088,789	1,095,621
<b>New Castle</b>	538,912	556,999	574,407	589,665	600,076	607,078	610,640	611,460	609,921
<b>Kent</b>	162,978	176,716	184,920	189,023	196,219	201,960	206,861	211,274	215,279
<b>Sussex</b>	197,888	215,622	230,338	240,870	249,292	256,009	261,426	266,038	270,421

Source: Annual Population Projections, Delaware Population Consortium, October 26, 2017, Version 2017.0

Beebe states there are approximately 83,000 residents in the towns that make up the South Coastal communities south of the Indian River Inlet.

## South Coastal Service Area

Town	Zip Code	Population <sup>1</sup>
Bethany Beach	19930	5,009
Ocean View	19970	10,329
Fenwick Island	19944	1,318
Millville	19967	2,196
Dagsboro	19939	7,780
Frankford	19945	9,095
Selbyville	19975	13,309
Millsboro	19966	33,635

Source: Beebe CPR application

### Planning for Tourist Population

Beebe states, when planning for Emergency Medicine, one must also consider visitors to the area, not just permanent residents. Like all of eastern Sussex County, the South Coastal region hosts hundreds-of-thousands of visitors each summer, and experiences strong visitation during the shoulder tourist seasons of the spring and fall. According to the Delaware Housing Authority Needs Assessment<sup>2</sup>, 42,000 new homes are projected to be built in Sussex County between 2015 and 2020.

The Review Committee agreed the application meets criterion II.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the state of Delaware.

There are currently no Emergency Medicine services in the South Coastal region. Presently, 100% of patients from these communities drive or are taken by ambulance from 30 to 60 minutes out of their community for diagnosis and treatment of emergency medical conditions.

The majority of South Coastal residents receive emergency medical diagnosis and treatment at one of the following centers:

- Beebe Medical Center (Lewes, DE) 30-45 minutes from Millville
- Nanticoke Memorial Health System (Seaford, DE) 60 minutes from Millville
- Milford Memorial Hospital (Milford, DE) 60 minutes from Millville

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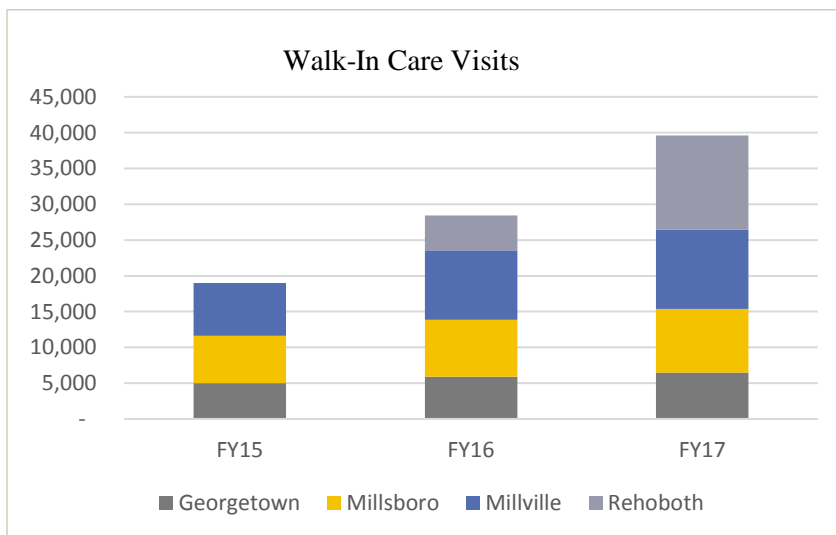
<sup>1</sup> Zip code-level population data is based on 2010 US Census Bureau, obtained through Datasheer LLC.

<sup>2</sup> Delaware Housing Needs Assessment 2015-2020; September 2014; Delaware State Housing Authority.

- Peninsula Regional Medical Center (Berlin, MD) 30-40 minutes from Millville
- Atlantic General Health System (Berlin, MD) 30-40 minutes from Millville

Beebe Healthcare now operates four (4) year-round urgent care Walk-In Centers, including one in Millville, Delaware. One of the goals for opening these centers was to offer more accessible and less costly urgent care as well as reduce utilization of the hospital's emergency department for non-emergent cases. The number of visits to the Walk-In Centers have experienced extraordinary growth. The sum of all Walk-In Care visits during the fiscal year that ended June 2017 was 39,590 which represents a 109% increase over the same period that ended in June 2015.

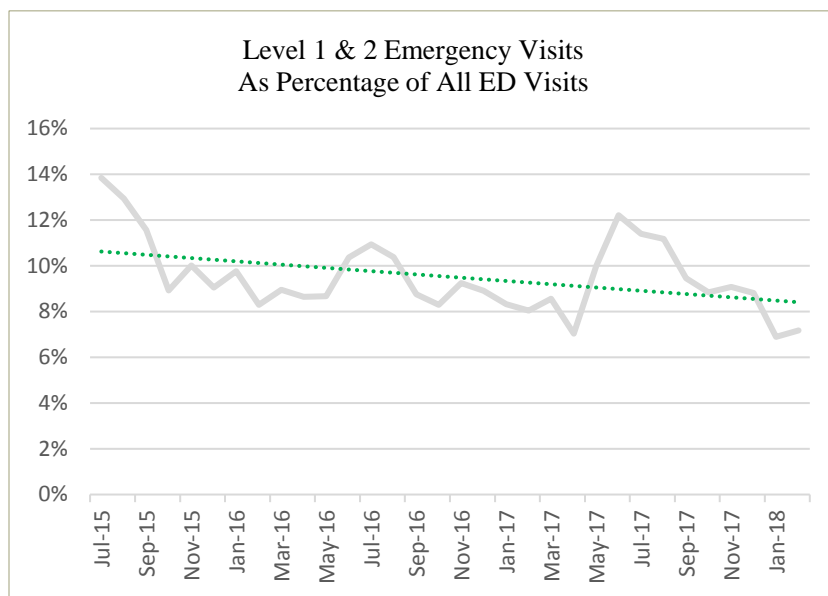
### Walk-In Care Visits



Source: Beebe CPR application

The growth of Walk-In Center visits has reduced the number of people with low-acuity conditions presenting at the hospital's emergency department in Lewes. The percentage of Level 1 and 2 conditions in the last six months of 2017 have decreased by 18% compared to the same period in 2015.

### Emergency Visits



Source: Beebe CPR application

Despite the growth in the number of community members seeking Walk-In Care, Beebe has continued to experience growth in visits to its Lewes Emergency Department. A greater portion of these cases are true emergencies that require the resources and specialized training of emergency providers. But the volume continues to grow despite efforts to add less-costly access points like Walk-In Care Centers.

To improve the timely access to diagnosis and treatment for those experiencing true medical emergencies in the South Coastal region, Beebe Healthcare proposes to build a free-standing Emergency Medicine Department in Millville, Delaware.

At the May 24<sup>th</sup> HRB meeting, Beebe presented cost figures for Maryland as it relates to Medicare and Medicaid listed below:

	Maryland	Delaware	Difference
Medicare	\$11,844	\$10,296	15%
Medicaid	\$7,677	\$6,921	11%

Maryland costs tend to be 10-15% higher for Medicaid and Medicare.

The Review Committee also discussed the commercial costs of services for patients in Delaware verses Maryland. It was stated that the cost of services are higher in Delaware than Maryland for commercial payers. It was also mentioned that if more patients are going to be seeking services in Delaware as opposed to Maryland, then this could potentially increase overall cost to the State of Delaware's healthcare system. It was also stated that even though costs may vary for services, it is important to also consider access to care as it relates to the aging population in Sussex County. Having access to these services close by will increase access to care. It was also stated , the Review Committee should consider what need is this proposal meeting and at what cost. It

was also noted this proposal would bring economic benefit with patients having access to services locally.

The Review Committee agreed the application meets criterion III with a 2:1 vote.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

**Relationship to Current Healthcare System**

The freestanding Emergency Medicine Department in Millville, Delaware will be owned and operated by Beebe Healthcare and managed and staffed by the same team at the Emergency at the hospital campus in Lewes. The Millville Emergency Department will utilize the same policies at the Lewes Emergency Department in Lewes. A few new policies are being developed to address communication and transfer of patients who require the services of an acute care hospital.

**Referral Relationships**

For patients who need services not available in the Emergency Department or at Beebe Healthcare's acute care hospital in Lewes, formal transfer agreements are in place with 52 organizations. These include all the tertiary hospitals in Delaware, Hospital of the University of Pennsylvania, Jefferson University Hospital, Nemours A.I. DuPont Children's Hospital, Children's Hospital of Philadelphia, and many others.

Beebe is part of the State of Delaware's Trauma System. Though the Millville Emergency Department will not be a trauma center, the same relationships, processes and policies will be in place to support smooth and timely transfer of patients when needed. Beebe has an active partnership with area Emergency Medical Service (EMS) and Basic Life Support (BLS) units.

**Employment, Diversity and Patient Choice**

Beebe does not anticipate any negative impact on the employment or availability of services at other emergency medicine services in the region. The addition of an Emergency Medicine Department in Millville will provide a convenient, high quality choice for patients who are best served with immediate emergency treatment close to their homes.

The Review Committee agreed the application meets criterion IV.

Criterion V: The immediate and long-term viability of the proposal in terms of the applicant's access to financial, management and other necessary resources.

In 2016, Beebe retained the firm, Freeman White, to complete an evaluation of the need for emergency medicine in Sussex County. Their study included an evaluation of how best to meet the emergency medicine needs of the population in Beebe's Primary Service Area. They evaluated two potential sites for this service: Georgetown and Millville. The Millville site was selected because of the following reasons: the distance from that region to other emergency medical services, the projected population growth, the size of the non-resident population in that area and the need for services. Their report included a financial feasibility study for building a second Emergency Medicine Department in Millville to serve the residents of the South Coastal region (Attachment E.3 – Freeman White Study).

Based on several assumptions, it is expected the Millville Emergency Medicine Department Center can operate at a net surplus annually, starting in the first full year of operation. The projections are based on the following key assumptions:

- Millville Emergency Department will serve 30% of the emergency medicine patients who live permanently in the South Coastal region by 2021.<sup>3</sup>
- 25% of total visits will be by patients who reside outside of Beebe's service area.
- Ability to run the center efficiently without a large overhead expense.
- Ability to maintain similar rates of reimbursement from commercial contracts.

The Review Committee agreed the application meets criterion V.

Criterion VI: The anticipated effect of the proposal on the costs of and charges for health care.

The application for the proposed project includes the following projected costs during its first full year of operations:

Financial Impact (first full year of operations)

Estimated effect on annual expenses:	\$ 10,899,115
Estimated effect on annual revenue:	\$ 18,935,426
Estimated effect on individual charges:	\$ 0.00

The Review Committee reviewed Schedule 4-Statement of Revenue and Expenses in the application.

Beebe Healthcare does not anticipate any direct impact on individual charges or costs related to delivering emergency treatment at the Millville Emergency Department. The Center will offer more convenient access to emergency treatment for residents and visitors and will reduce financial, travel and emotional burden on patients from the South Coastal area. The Millville Walk-In Care will continue to operate and offer a lower-cost alternative for non-emergent care. Primary Care services are also available in this region, and Beebe is actively recruiting more physicians, with the intent of opening a new Primary Care practice in Selbyville before the opening of the proposed Millville Emergency Department.

The Review Committee discussed that this proposal would be an increase of costs to the State of Delaware Health Insurance Plan.

The new Emergency Department is being designed by an integrated team of care givers, patients, architects and construction managers. The design is focused on quality care, interactions between providers, patients, and easy access to all services. This includes on-site lab, pharmacy and diagnostic imaging that support efficiency and timely care. This convenience and access are

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<sup>3</sup> If Beebe exclude the residents of Millsboro who live in Long Neck and are closer to the Lewes Emergency Department, the market share assumption is 55%.



important to quality care and are now expected by today's healthcare consumers. Operating efficiency will be optimized through this integrated design model.

The Review Committee inquired if the ancillary charges provided on site were available for use by patients that did not seek service at the proposed emergency department and/or cancer center. Staff will send this follow up inquiry to Beebe.

Beebe has participated in the Medicare Shared Savings Program since 2014, and the Bundled Payment for Care Improvement program since 2015. In addition, the organization has been an active participant in the Delaware Center for Health Innovation, with team members serving on several committees. These initiatives ensure that their culture and their processes do not incentivize overutilization of healthcare services. The Review Committee requested updates that Beebe can share as it relates to progress made towards moving to value based payments, risk sharing arrangements as opposed to fee for service. Staff will reach out to Beebe for these updates.

The Review Committee agreed the application met criterion VI with a 2:1 vote.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

The most important positive outcome for patients experiencing medical emergencies is timely access to care. By building an Emergency Medicine Department in Millville, Delaware, Beebe will be shortening the time to care for residents and visitors in the South Coastal region. Rather than driving 30 to 60 minutes to an emergency department, patients can drive 5 to 25 minutes to care, depending on how far from the Millville Emergency Medicine Department they start. Timely access to care for patients experiencing medical emergencies saves lives and reduces the negative outcomes due to delayed access to care.

Timely access to care is also a focus of Beebe's Emergency Medicine program once patients arrive in the department. This is measured by how quickly patients are triaged and treated by a medical professional and how quickly they are discharged. Below is a table of timely access to care measures and the outcomes for the Lewes Emergency Medicine Department. Beebe anticipates similar performance at the proposed Millville Emergency Department.

### **Behavioral Health**

For those patients who experience a medical emergency who also have behavioral health needs, the Millville Emergency Medicine Department will offer tele-health psychiatric evaluations, just as it does in the Lewes Emergency Medicine Department. Tele-psychiatric evaluations offer a cost-effective manner for providing this specialty service and ensures that patients with psychiatric needs are receiving appropriate treatment for behavioral health.

### **Pediatric Specialty Care**

The Millville Emergency Medicine Department will seek recognition by the state under the Emergency Medical Services for Children (EMSC) program as a Delaware Pediatric Emergency Care Facilities—Level 3. Beebe's Lewes Emergency Medicine Department already has this

recognition. Because the needs of children treated in the prehospital setting are different from those of adults, prehospital care providers must have appropriate equipment and training, along with safe and effective protocols to treat children. Participation in this program ensures this level of training, and appropriate protocols for treating pediatric emergency patients.

In addition, the Millville Emergency Medicine Department will deploy the tele-health connection to A.I. DuPont Hospital for Children when consults are necessary with pediatric specialists. This system is already in place in the Lewes Emergency Department.

### **Trauma**

The proposed Millville Emergency Department will participate in the Delaware state trauma system; however, the freestanding emergency department will not be a trauma center.

### **Accreditation**

Joint Commission on Accreditation of Health Care Organizations (JCAHO) accredits Beebe Healthcare and its Emergency Medicine Program. The new Millville Emergency Medicine Department will be included in this accreditation review. The Joint Commission reviews the program for appropriate equipment policies and clinical protocols.

The Review Committee agreed the application met criterion VII.

### **Other Review Considerations**

**Will the project offer economies and improvements in the delivery of the service? Please describe.**

The integrated design process is centered on operational and process improvement. The opportunity to construct a new building on a green-field site allows the planning to provide efficient and flexible design to both flow of patients and staff. The plan will provide a reduction of travel times for work and patient flow, and improved use of technology for communication (i.e., electronic medical record and patient tracking). Adjacencies and appropriate sizing of support services will also improve the delivery of services. Using LEAN concepts, the staffing and building services will be optimized.

**Will this project enhance the efficiency with which the health care needs of the user population are being met?**

With an improved layout, reduced workflow travel distances, technology support and state of the art building mechanical and electrical services will reduce operational cost in respect to clinical and support staffing, energy efficiency through improved systems, LED lighting, sustainable materials and plant maintenance protocols.

**Does the Applicant intend to employ energy conservation principles in the design or other aspects of construction?**

Beebe is mindful of its energy footprint and has directed the project team to employ numerous design features to support energy conservation. These methods include:

- High efficiency hot water condensing boilers and hot water heaters
- Low-E glass and high-performance window systems (to mitigate heat loss and gain)
- Thermal insulation on walls and roofs
- Low voltage lighting systems to conserve electricity
- Insulation systems on ductwork and hot water piping systems to mitigate heat loss
- HVAC systems employing economizer cycles that reduce the consumption of electricity
- Low-flow water fixtures (like toilets, urinals and shower heads) to reduce water consumption.

### **Will the proposed construction eliminate any architectural barriers to the handicapped?**

By the very nature of its purpose, new medical facilities strive to eliminate all barriers to accessibility. To that end, the project is required to follow ADA Architectural Guidelines (ADAAG), ICC/ANSI A117.1, 2009, which is the prevailing code to barrier-free design and stipulates the basis of design to mitigate barriers. This overarching Code will ensure that barriers to accessibility are not “built in”. In addition, barrier free access begins at the entry to the site, with properly designed parking lots (including sloped and cross-sloped pavement, accessible parking spaces for cars and vans, walkways to the building and curb cuts or depressed curbing to allow for proper access. In addition, all facilities are being designed with wheelchair storage located immediately inside the buildings so that those requiring temporary use of a wheel chair will have ready access to one.

### ***Action***

Based upon the foregoing findings, the Review Committee hereby recommends approval of the CPR application submitted by Beebe to construct a new Freestanding Emergency Department in Millville DE with a 2:1 vote.

### ***Next Steps***

The Review Committee will provide their recommendation of approval to the Board at the July 26, 2018 HRB meeting.

### ***Adjourn***

The meeting adjourned at 3:30 p.m.

### ***Guests Attended***

Alex Sydnor                      Beebe Healthcare